

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
FEBRUARY 17, 2014**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, February 17, 2014.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Doug Schulte – Secretary
Alex Emmons – Wastewater Commissioner
Ken Sendelweck – Electric Commissioner
Dave Hurst – Water Commissioner
Keith Masterson – Gas Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Renee Kabrick – City Attorney
Ashley Kiefer – Office Manager

PLEDGE OF ALLEGIANCE (DVD-00:36)

Chairman Wayne Schuetter led the Pledge of Allegiance.

QUOTE OPENING: STEEL MEZZANINE – ELECTRIC DISTRIBUTION (DVD-01:03)

Bud Hauersperger opened the quotes and read them aloud as follows:

- | | |
|---|-------------|
| 1. Jasper Lumber Co.
Jasper, IN 47546 | \$33,968.00 |
| 2. STAC Material Handling
Jasper, IN 47546 | \$19,090.00 |

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Jerry Schitter stated that the quotes were for the materials only to build the mezzanine. Schitter asked for the Board's permission to purchase the materials from STAC Material Handling, the

low quote amount, for \$19,090, if all specifications were met. Rick Stradtner made a motion to accept the low quote from STAC Material Handling for \$19,090 if all specification are met. Keith Masterson seconded the motion. Motion approved, 7-0.

QUOTE OPENING: ELEVEN (11) COMPUTERS – BUSINESS OFFICE (DVD-04:02)

Bud Hauersperger opened the quotes and read them aloud as follows:

- | | |
|---------------------------------------|-------------|
| 1. Eck-Mundy Associates
Jasper, IN | \$15,697.00 |
| 2. Matrix Integration
Jasper, IN | \$20,135.84 |

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Ashley Kiefer asked for the Board's permission to take the quotes under advisement for review. Keith Masterson made a motion to take the quotes under advisement. Doug Schulte seconded the motion. Motion approved, 7-0.

APPROVAL OF MINUTES (DVD-06:41)

Chairman Wayne Schuetter presented the minutes of the January 20, 2014 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Dave Hurst made a motion to approve the minutes of the January meeting as presented. Alex Emmons seconded the motion. Motion approved, 7-0.

**JERRY HILGEFORT – REQUEST TO LOWER AMOUNT OF GAS SERVICE
INSTALLATION INVOICE- 401 E. 36TH STEET** (DVD-07:11)

Jerry Hilgefort addressed the Board regarding an invoice for a gas service installation at his residence on 401 East 36th Street. Hilgefort stated that he received a gas installation bill from Jasper Municipal Utilities for \$3,610 to install a gas line per his request. Hilgefort stated that gas service is not a priority because he has geo-thermal. The only items running on the gas service at his residence are a cooktop and a fireplace.

Hilgefort stated that he never received an estimate for the installation, but didn't request one. He feels that in the future, an estimate needs to be sent certified and signed by all customers so they are aware of the charges being billed. He did receive an estimate for a 500 gallon LP tank installed and filled for a not-to-exceed \$1,500. Hilgefort preferred the underground gas installation instead of the tank.

Hilgefort stated that over the years he has paid a huge sum of money to get Utility services to their home. Hilgefort feels the gas service installation is an excessive amount. He would like the Board to consider decreasing the bill to \$1,500, which is the same price that the LP tank would have cost him to install.

Ernie Hinkle stated that estimates are available by the Gas Department if requested. The gas application and permit, which was filled out before the line was ran to house, states that the customer is required to pay all material, labor, and equipment fee costs for line installations. Hilgefort stated that he never saw the application and permit; his plumber must have filled it out.

Chairman Schuetter stated that the Board is bound by the Ordinance for what they charge for installation services, and that cost is passed on to the customer whom requests the services. Following the Ordinance clarifies that installation service costs are paid for by the person that requests the service, and makes sure that the costs are not shifted to other ratepayers.

Schuetter stated that a change in the Ordinance would have to be made to change Hilgefort's invoice amount. Schuetter stated that he understands there was a miscommunication between Hilgefort and his plumber, but the Board is bound by the Ordinance. Schuetter stated that the Board is not at fault. Schuetter informed Hilgefort that he can go to the City Council and request that the Ordinance be changed. No motion was made by the Board.

DAN WORL FROM IMPA – NEW ENERGY EFFICIENCY PROGRAM (DVD-18:04)

Dan Worl from IMPA introduced, to the Board, the new Energy Efficiency program IMPA will be leading. IMPA is no longer working with the Energizing Indiana program. IMPA feels if they continued with the Energizing Indiana program; they would have seen rate increases.

IMPA has started their own commercial and industrial rebate programs. The program is very similar to Energizing Indiana, with a couple of exceptions. The program has a maximum of \$10,000 per year per customer, with no limit on the number of years that a customer can use this rebate. The rebates are also scaled back a little per item, and their program also includes LED lighting.

IMPA has also started launching a residential program, which will be online by the end of the week. Rebates for air conditioners, heat pumps and geo-thermal units will be included in this program. This includes new installations and replacements. Worl will speak to all local contractors regarding the program if requested.

Energizing Indiana did not offer residential rebates, which Worl believes is a huge advantage to IMPA's program. IMPA's program does not offer energy audits because IMPA feels they are not cost effective.

SUBSTATION TECHNICIAN POSITION (DVD-24:15)

Jerry Schitter informed the Board that he did replace the sub-station foreman's position today with Electric employee Matt Gehlhausen. The Department now has a sub-station technician position open. Schitter said that he will re-advertise for this position.

JASPER CLEAN ENERGY MONTHLY REPORT (DVD-25:35)

Bud Hauersperger explained the Jasper Clean Energy monthly report for January to the Board. Hauersperger stated that the only changes from last month were schedule revisions being reviewed by Jay Catasein and, attorneys, due to the dismissal of the Power Plant lawsuit.

IMPA CAPCITY PAYMENT (DVD-26:37)

Hauersperger reminded the Board that MISO's clearing price, last year, for capacity payments were so low that the City's bid was not accepted. Hauersperger is collecting information and working on the bid for this year. He should have more information to review at the upcoming Electric Committee meeting.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-27:26)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did meet on February 10, 2014. At the meeting the Committee reviewed the preliminary Electric rate study results. The last Electric rate study was completed in 2008.

Deen Rogers with H.J. Umbaugh & Associates was present at the meeting to review the results of the rate study and answer any questions. Several questions were raised regarding the rate study and the current tracker mechanism. The Committee also asked for additional information from Deen Rogers regarding other Cities and towns rates for comparison purposes and tracker comparisons.

The Committee decided to schedule another Electric Committee meeting to review the additional information requested. The Committee should have a recommendation by the March Utility Service Board meeting.

Jerry Schitter stated that he will be to adding a new rate for LED street lighting into the Ordinance. This information also will be available at the next Electric Committee meeting.

Schitter also stated that Jim Stallman is retiring on February 28th after 45 years of service. Chairman Schuetter stated that as of January 2013 the Electric Department has had six retirements, which totals 231 years of experience lost.

UPDATE ON 3RD AVENUE WATER MAIN REPLACEMENT PROJECT (DVD-30:50)

Derick Wiggins, with Midwestern Engineers, informed the Board that the 3rd Avenue Water Main Replacement project is going well, except for bad weather conditions. The project is 75% to 80% complete. Thirty-five hundred feet of main is installed and in service up to Rumbach Avenue. Last week problems occurred with the creek and ditch crossings. Rip rap was installed to keep the banks stabilized. The total cost for the rip-rap is approximately \$3,000 to \$4,000.

The Street Department did fill in the trench from Holiday Foods to past Holy Family School today. ISI is doing a great job on the project and keeping everyone updated.

APPROVAL TO EXTEND WATER SERVICE TO BOB & LINDA WEHR ON 100 SOUTH (DVD-35:53)

Ernie Hinkle addressed the Board regarding a water service extension for Bob and Linda Wehr on 100 South by the Sports Complex. The Wehr's have a well on their property which they utilize for water consumption. The well has recently been tested, due to health problems arising from the residents over the past five years, and shows extremely elevated levels of lead.

Hinkle is asking the Board's permission, on behalf of Bob and Linda Wehr, to install a water meter and extend water service approximately 470 feet to their property. Presently a 12 inch water main runs along 100 South and goes back to the Sports Complex. It is not feasible for the property owner to extend that main all the way to their property.

There is a 40 foot easement that the Wehr's can get from the adjacent property owner and extend it to his property, which would give the Wehr's the right-of-way to install the new water service. Attorney Kabrick stated that she would like to review the easement from the property owner. All costs for the new water service and meter will be paid for by the Wehr's and must adhere to the City's specifications.

Hinkle realizes this is out of the ordinary but under the circumstances he would appreciate the Board's approval to extend the water service to the Wehr's residence on 100 South.

Alex Emmons made a motion to approve the water service extension to Bob and Linda Wehr's residence on 100 South under the City's specifications. Dave Hurst seconded the motion. Motion approved, 7-0.

APPROVAL TO UPGRADE CHLORINE SYSTEM (DVD-45:15)

Hinkle gave the Board an estimate on the cost to downsize the equipment for the chlorine system at the Water Treatment Plant. Hinkle has already received approval from the Board to receive quotes on this equipment on the 2014 Capital Expenditure Plan. Since this approval, Hinkle has realized that only the regulators need to be downsized. Hinkle does not want to send out for quotes from other companies. Hinkle would like to keep the same supplier, BL Anderson, so that the parts are compatible.

The cost from BL Anderson to downsize the regulators is \$21,449.01, which is under the \$26,000 approved for the 2014 Capital Expenditure Plan. Attorney Kabrick has reviewed all the circumstances and feels this is appropriate because this is not a new system purchase; we are just maintaining the system we have.

Rick Stradtner made a motion to give Hinkle permission to purchase the regulators for the Water Treatment Plant chlorine system for \$21,449.01 from BL Anderson. Keith Masterson seconded the motion. Motion approved, 7-0.

ALERT ON HIGHER USAGE FOR GAS PURCHASED & THE EFFECT ON CUSTOMERS UTILITY BILLS (DVD-48:20)

Hinkle informed the Board that the month of January and February, the past 48 days, has had 19 days of temperatures with highs less than 32 degrees. Another 19 of those 48 days had high temperatures in the teens, 9 days the low temperatures were in the single digits, and several nights were zero or below. It has been extremely cold. The natural gas purchased by the City has gone up over the past several months along with the cost. This increase will affect the ratepayers.

Hauersperger stated that the entire City consumption between December and January has increased 40%. The cost to purchase the gas during that period increased 55%, based on the larger amount of gas purchased. The City does have two pipelines that they draw gas from.

UGM does make sure the City gets the best price from one of the two pipelines used. UGM said that temperatures have been the worst recorded in the past fifty years.

Hauersperger also stated that the cost for the total monthly purchase of gas increased 64% comparing last January to this January. Hauersperger said that the City just wants to make citizens aware of the increased potential costs due to higher energy usage during the cold weather, and that those residents should be aware when opening their next two month's utility bills. Hauersperger also reminded residents that the City does not make any profit on gas; it is billed to the customers at the City's cost.

Hauersperger also stated that Electric consumption was up 11% between December and January. The price of Electric is more stable, but all homes are different and there will be some increase across the board. Jerry Schitter said if you heat your home with electric, you will see more than an 11% increase.

GAS PLANNING COMMITTEE REPORT (DVD-55:45)

Keith Masterson, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-55:49)

Dave Hurst, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

SEWER RELINING PROJECT COMPLETE (DVD-55:56)

Ed Hollinden informed the Board that the sewer relining project was complete.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-56:38)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

INVENTORY SOFTWARE CONVERSION SCHEDULED (DVD-56:46)

Ashley Kiefer updated the Board on the Business Office software conversion. The inventory conversion analyst work will start next week on February 24th. The inventory will be transferred from the old system to the new system. April 21st is the go-live week for the new software to be completed. A consultant will be on sight at this time to train employees.

The credit card and on-line bill pay will be the last two conversions implemented for the new software system. These conversions can be completed at any time as long as the decision has been made who will pay for the fees and they are added to the Ordinance.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-57:58)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Dave Hurst made a motion to approve the claims as presented. Ken Sendelweck seconded the motion. Motion approved, 7-0.

MAYOR (DVD-58:32)

Mayor Seitz informed the Board regarding the benefits of public relations in the recent months. The repercussions have been very positive for the City of Jasper. Mayor Seitz is excited about the synergy between the Utility Service Board, the Economic Development Commission and the Re-development Commission, which is an overall approach on the economic development in Jasper.

Mayor Seitz stated that Rick Stradtner now holds a position on the Economic Development Commission, which oversees abatements and phase-ins. Mayor Seitz also thanked Mike Murphy, with Hirons and Associates, for his public relations advice.

Mayor Seitz also informed the Board that the City was almost finished with their Letter of Interest for the Indiana Stellars Communities program, which is due on Wednesday. The Stellars Communities program is a program which takes federal grants and passes them through INDOT, Indiana Housing and Development Authority, and OCRA for consideration.

Mayor Seitz thanked the Board for the Utilities help the past several months and Bud Hayersperger for bringing everyone together.

There being no further business to come before the Board, the meeting was adjourned at 8:04PM upon motion by Alex Emmons and second by Keith Masterson. Motion approved, 7-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2014.

Attest: _____
Secretary Chairman